

105TH CONGRESS  
2D SESSION

# S. 1798

To provide for an alternative penalty procedure for States that fail to meet Federal child support data processing requirements.

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IN THE SENATE OF THE UNITED STATES

MARCH 19, 1998

Mrs. FEINSTEIN introduced the following bill; which was read twice and referred to the Committee on Finance

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## A BILL

To provide for an alternative penalty procedure for States that fail to meet Federal child support data processing requirements.

1 *Be it enacted by the Senate and House of Representa-*  
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. ALTERNATIVE PENALTY PROCEDURE FOR**  
4 **CHILD SUPPORT DATA PROCESSING RE-**  
5 **QUIREMENTS.**

6 (a) IN GENERAL.—Section 455(a) of the Social Secu-  
7 rity Act (42 U.S.C. 655(a)) is amended by adding at the  
8 end the following:

9 “(4)(A) If—

1           “(i) the Secretary determines that a State plan  
 2           under section 454 would (in the absence of this  
 3           paragraph) be disapproved for the failure of the  
 4           State to comply with section 454(24)(A), and that  
 5           the State has made and is continuing to make a  
 6           good faith effort to so comply; and

7           “(ii) the State has submitted to the Secretary  
 8           a corrective compliance plan that describes how, by  
 9           when, and at what cost the State will achieve such  
 10          compliance, which has been approved by the Sec-  
 11          retary,

12 then the Secretary shall not disapprove the State plan  
 13 under section 454, and the Secretary shall reduce the  
 14 amount otherwise payable to the State under paragraph  
 15 (1)(A) of this subsection for the fiscal year by the penalty  
 16 amount.

17          “(B) In this paragraph:

18           “(i) The term ‘penalty amount’ means, with re-  
 19           spect to a failure of a State to comply with section  
 20           454(24)—

21                   “(I) 4 percent of the penalty base, in the  
 22                   case of the 1st fiscal year in which such a fail-  
 23                   ure by the State occurs;

24                   “(II) 8 percent of the penalty base, in the  
 25                   case of the 2nd such fiscal year;

1           “(III) 16 percent of the penalty base, in  
2           the case of the 3rd such fiscal year; or

3           “(IV) 20 percent of the penalty base, in  
4           the case of the 4th or any subsequent such fis-  
5           cal year.

6           “(ii) The term ‘penalty base’ means, with re-  
7           spect to a failure of a State to comply with section  
8           454(24) during a fiscal year, the amount otherwise  
9           payable to the State under paragraph (1)(A) of this  
10          subsection for the preceding fiscal year, minus the  
11          applicable share of such amount which would other-  
12          wise be payable to any county to which the Secretary  
13          granted a waiver under the Family Support Act of  
14          1988 (Public Law 100–485; 102 Stat. 2343) for 90  
15          percent enhanced Federal funding to develop an  
16          automated data processing and information retrieval  
17          system provided that such system was implemented  
18          prior to October 1, 1997.

19          “(C)(i) The Secretary shall waive a penalty under  
20          this paragraph for any failure of a State to comply with  
21          section 454(24)(A) during fiscal year 1998 if—

22               “(I) by December 31, 1997, the State has sub-  
23               mitted to the Secretary a request that the Secretary  
24               certify the State as having met the requirements of  
25               such section;

1 “(II) the Secretary has provided the certifi-  
 2 cation as a result of a review conducted pursuant to  
 3 the request; and

4 “(III) the State has not failed such a review.

5 “(ii) If a State with respect to which a reduction is  
 6 made under this paragraph for a fiscal year achieves com-  
 7 pliance with section 454(24)(A) by the beginning of the  
 8 succeeding fiscal year, the Secretary shall increase the  
 9 amount otherwise payable to the State under paragraph  
 10 (1)(A) of this subsection for the succeeding fiscal year by  
 11 an amount equal to 75 percent of the reduction for the  
 12 fiscal year.

13 “(D) The preceding provisions of this paragraph (ex-  
 14 cept for subparagraph (C)(i)) shall apply, separately and  
 15 independently, to a failure to comply with section  
 16 454(24)(B) in the same manner in which the preceding  
 17 provisions apply to a failure to comply with section  
 18 454(24)(A).”.

19 (b) INAPPLICABILITY OF PENALTY UNDER TANF  
 20 PROGRAM.—Section 409(a)(8)(A)(i)(III) of such Act (42  
 21 U.S.C. 609(a)(8)(A)(i)(III)) is amended by inserting  
 22 “(other than section 454(24))” before the semicolon.

1 **SEC. 2. AUTHORITY TO WAIVE SINGLE STATEWIDE AUTO-**  
 2 **MATED DATA PROCESSING AND INFORMA-**  
 3 **TION RETRIEVAL SYSTEM REQUIREMENT.**

4 (a) IN GENERAL.—Section 452(d)(3) of the Social  
 5 Security Act (42 U.S.C. 652(d)(3)) is amended to read  
 6 as follows:

7 “(3) The Secretary may waive any requirement of  
 8 paragraph (1) or any condition specified under section  
 9 454(16), and shall waive the single statewide system re-  
 10 quirement under sections 454(16) and 454A, with respect  
 11 to a State if—

12 “(A) the State demonstrates to the satisfaction  
 13 of the Secretary that the State has or can develop  
 14 an alternative system or systems that enable the  
 15 State—

16 “(i) for purposes of section 409(a)(8), to  
 17 achieve the paternity establishment percentages  
 18 (as defined in section 452(g)(2)) and other per-  
 19 formance measures that may be established by  
 20 the Secretary;

21 “(ii) to submit data under section  
 22 454(15)(B) that is complete and reliable;

23 “(iii) to substantially comply with the re-  
 24 quirements of this part; and

25 “(iv) in the case of a request to waive the  
 26 single statewide system requirement, to—

1 “(I) meet all functional requirements  
2 of sections 454(16) and 454A;

3 “(II) ensure that the calculation of  
4 distribution of collected support is accord-  
5 ing to the requirements of section 457;

6 “(III) ensure that there is only 1  
7 point of contact in the State for all inter-  
8 state case processing and coordinated  
9 intrastate case management;

10 “(IV) ensure that standardized data  
11 elements, forms, and definitions are used  
12 throughout the State; and

13 “(V) complete the alternative system  
14 in no more time than it would take to com-  
15 plete a single statewide system that meets  
16 such requirement;

17 “(B)(i) the waiver meets the criteria of para-  
18 graphs (1), (2), and (3) of section 1115(c); or

19 “(ii) the State provides assurances to the Sec-  
20 retary that steps will be taken to otherwise improve  
21 the State’s child support enforcement program; and

22 “(C) in the case of a request to waive the single  
23 statewide system requirement, the State has submit-  
24 ted to the Secretary separate estimates of the total  
25 cost of a single statewide system that meets such re-

1        requirement, and of any such alternative system or  
 2        systems, which shall include estimates of the cost of  
 3        developing and completing the system and of operat-  
 4        ing the system for 5 years, and the Secretary has  
 5        agreed with the estimates.”.

6        (b) PAYMENTS TO STATES.—Section 455(a)(1) of  
 7        such Act (42 U.S.C. 655(a)(1)) is amended—

8                (1) by striking “and” at the end of subpara-  
 9        graph (B);

10              (2) by striking the semicolon at the end of sub-  
 11        paragraph (C) and inserting “, and”; and

12              (3) by inserting after subparagraph (C) the fol-  
 13        lowing:

14              “(D) equal to 66 percent of the sums expended  
 15        by the State during the quarter for an alternative  
 16        statewide system for which a waiver has been grant-  
 17        ed under section 452(d)(3), but only to the extent  
 18        that the total of the sums so expended by the State  
 19        on or after the date of the enactment of this sub-  
 20        paragraph does not exceed the least total cost esti-  
 21        mate submitted by the State pursuant to section  
 22        452(d)(3)(C) in the request for the waiver.”.

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